

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN DANIEL FUCHS**, on April 8, 2003 at 8:04 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Daniel Fuchs, Chairman (R)
Rep. Ronald Devlin, Vice Chairman (R)
Rep. Ron Erickson, Vice Chairman (D)
Rep. Joan Andersen (R)
Rep. Joe Balyeat (R)
Rep. Gary Branae (D)
Rep. Eileen J. Carney (D)
Rep. Jill Cohenour (D)
Rep. Larry Cyr (D)
Rep. Gary Forrester (D)
Rep. Kim Gillan (D)
Rep. Verdell Jackson (R)
Rep. Bob Lake (R)
Rep. Carol Lambert (R)
Rep. Jesse Laslovich (D)
Rep. Jim Peterson (R)
Rep. John (Jack) W. Ross (R)
Rep. Karl Waitschies (R)

Members Excused: None.

Members Absent: None.

Staff Present: Kathleen Ely, Committee Secretary
Jeff Martin, Legislative Branch

Video-taped Committee: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. A video-taped recording of the meeting is available from the Montana Historical Society. THE TIME STAMP REPRESENTS ELAPSED TIME.

Committee Business Summary:

Hearing & Date Posted: SB 462, 4/4/2003; SB 407, 4/4/2003;
SB 480, 4/4/2003
Executive Action: SB 294, BE CONCURRED IN AS AMENDED,
18-0
SB 469, TABLED

HEARING ON SB 462

Opening Statement by Sponsor:

01:00 **SEN. DEPRATU, SD 40 -- Short Title:** Three-year
depreciation for renewable resources recovery and
utilization equipment.

Proponents' Testimony:

05:00 Ellen Engstedt, Wood Products Association
06:00 Dick King, Missoula Area Economic Development
Corporation
08:00 Don Allen, Western Environmental Trade Association
09:00 Julie Altimus, Montana Logging Association
11:00 Mary Whittinghill, Montana Taxpayers Association
11:00 Webb Brown, Montana Chamber of Commerce
12:00 Carl Schweitzer, Bozeman Chamber of Commerce, Kalispell
Chamber of Commerce
12:00 Riley Johnson, National Federation of Independent
Businesses

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

12:00
19:00 Kurt Alme, Department of Revenue

Closing by Sponsor:

24:00

HEARING ON SB 407

Opening Statement by Sponsor:

26:00 **SEN. DEPRATU, SD 40 -- Short Title:** Income tax
reduction with revenue from limited sales tax.

Proponents' Testimony:

39:00 **SEN. STORY, SD 12**
43:00 Kurt Alme, Department of Revenue
EXHIBIT (tah75a01)

EXHIBIT (tah75a02)

EXHIBIT (tah75a03)

EXHIBIT (tah75a04)

EXHIBIT (tah75a05)

EXHIBIT (tah75a06)

EXHIBIT (tah75a07)

1:00:00 Judy Smith, Fair Share Network

EXHIBIT (tah75a08)

1:03:00 Pat Kalbek Harper, American Association of Retired
Persons

EXHIBIT (tah75a09)

1:04:00 Steve Yeakel, Human Resources District Council
Directors, Montana Child Care Votes, Montana Council of
Maternal and Child Health

1:06:00 Chris Volinkaty, Developmentally Disabled Kids

1:07:00 Ernie Dutton, Montana Association

EXHIBIT (tah75a10)

EXHIBIT (tah75a11)

EXHIBIT (tah75a12)

1:09:00 David Johnson, Certified Public Accountants Society

1:09:00 George Olsen, Galush, Higgins & Galusha

1:10:00 Rick Reisig, Hamilton

1:10:00 Webb Brown, Montana Chamber of Commerce

1:10:00 Nancy Schlepp, Montana Farmers Bureau

1:10:00 Janie McCall, Deaconess Billings Clinic (DBC, Montana
Childrens' Initiative

1:11:00 Beda Lovitt, Montana Medical Association

1:11:00 Bob Stephens, Montana Graingrowers Association

1:11:00 Jim Ahrens, Montana Hospital Association

1:11:00 Carl Schweitzer, Bozeman Chamber of Commerce, Kalispell
Chamber of Commerce

1:12:00 Cathy Burwell, Helena Chamber of Commerce

1:12:00 Dave Gibson, Office of the Governor

Opponents' Testimony:

1:12:00 Robert Worden, Montana Enterprise Cars

1:14:00 Mike Scholes, Montana Innkeepers Association

1:16:00 Jerome Anderson, R. J. Reynolds Tobacco

1:18:00 Mike Parker, Pennington's

1:21:00 Gene Fenderson, Progressive Labor Caucus

1:25:00 Amy Gromjaz, Phillip Morris

1:26:00 Riley Johnson, National Federation of Independent
Businesses

1:27:00 Joe Taylor, Dollar Rent-A-Car

EXHIBIT (tah75a13)

1:29:00 Amy Sullivan, Montana Tourism Association

1:31:00 Mark Staples, Montana Wholesalers Association

EXHIBIT (tah75a14)

1:33:00 Bob Gilbert, Montana Convenience Stores Association

1:34:00 Mike Fellows, Montana Libertarian Party
EXHIBIT (tah75a15)
1:35:00 Steve Costly, Montana Car Rental Association
1:36:00 Bob Doyle, Avis Rent-A-Car
1:37:00 Bill Hilsendeger, Dollar Rent-A-Car
1:38:00 Mary Caferro, WEEL
1:39:00 John Suprock, Sheehan Majestic
1:41:00 Bill Stevens, Montana Food Distributors Association
1:42:00 Jim Tweet, Perkins Restaurant and Midtown Hotel, Great Falls Hotel and Motel
1:42:00 Bob Pavlovich, North Atlantic Tranding Company

Informational Testimony:

1:42:00 **DAVE WANZENREID, HD 68**
1:44:00 Roger Hagen, Veterans Nursing Home, Retired Military

Questions from Committee Members and Responses:

1:44:00

Closing by Sponsor:

2:18:00

10:25 a.m. Break
10:48 a.m. Resume

HEARING ON SB 480

Opening Statement by Sponsor:

2:44:00 **SEN. BLACK, SD 44 -- Short Title:** Revise tax laws to clarify taxation of dividends.

Proponents' Testimony:

2:48:00 Kurt Alme, Department of Revenue

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

2:48:00

Closing by Sponsor:

2:50:00

EXECUTIVE ACTION ON SB 294

Motion: REP. LAKE moved that SB 294 BE CONCURRED IN.

Motion/Vote: REP. DEVLIN moved that SB 294 BE AMENDED. Motion carried unanimously 18-0 by voice vote.

EXHIBIT (tah75a16)

Motion: REP. DEVLIN moved that SB 294 BE CONCURRED IN AS AMENDED.

Motion/Vote: REP. LAKE moved that SB 294 BE AMENDED CONCEPTUALLY. Motion carried unanimously 18-0 by voice vote.

Motion/Vote: REP. DEVLIN moved that SB 294 BE CONCURRED IN AS AMENDED. Motion carried unanimously 18-0 by voice vote. REP. WITT will carry SB 294.

EXECUTIVE ACTION ON SB 469

Motion: REP. LAMBERT moved that SB 469 BE CONCURRED IN.

EXHIBIT (tah75a17)

Motion/Vote: REP. DEVLIN moved that SB 294 BE AMENDED. Motion carried unanimously 18-0 by voice vote.

EXHIBIT (tah75a18)

Motion/Vote: REP. BALLYEAT moved that SB 469 BE TABLED. Motion carried 14-4 with REPS. CARNEY, ERICKSON, FORRESTER, and LASLOVICH voting no by roll call vote.

ADJOURNMENT

Adjournment: 11:26 A.M.

REP. DANIEL FUCHS, Chairman

KATHLEEN ELY, Secretary

DF/KE

EXHIBIT (tah75aad)